Labour Market Notes

Positive employment gains to end 2016

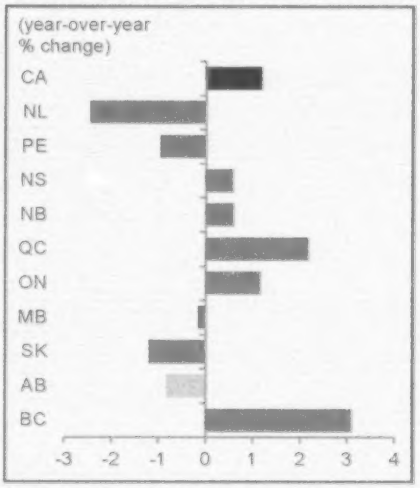
Alberta

- Employment increases in December. Employment in Alberta increased by 6,900 jobs in December following a loss of nearly 13,000 in the previous month. Although overall employment declined 1.6% in 2016, it increased in four of the last five months, gaining 19,100 since the July 2016 low.
- Unemployment rate falls to 8.5%. Alberta's unemployment rate fell 0.5 percentage points to reach 8.5 per cent in December, reversing the increase in November.
- Gains concentrated in full-time and self-employment. The monthly job gains were in full-time positions (+18,500) which more than offset losses in part-time positions (-11,600). Since the July low, all the job gains have been in full-time positions.The majority of the gains were in self-employment (+11,900) and the public sector (+7,300), which offset losses in the private sector (-12,300).
- Jobs added mainly in the goods sector. Employment in the goods-producing sector rebounded in December, led by an increase in construction (+7,300). Employment in the service sector increased modestly for the fourth month in a row, led by gains in Health Care and Social Assistance (+8,700) and Professional, Scientific service (+3,500).
- Earnings remain soft. In October, Average Weekly Earnings (AWE) declined 0.9% from the previous month to $1,106 and were down 2.6% year-over-year. Earnings in the service sector remained particularly weak, declining 2.6% compared to October 2015, whereas earnings in the goods sector were down marginally.

Canada

- Employment in Canada continues to rise. Canadian employment increased for the fifth month in a row, up 53,700 in December. Employment in eight of the ten provinces increased. The stronges gains were in Quebec (+20,400) and British Columbia (+17,000). Year-over-year, Canadian employment has risen by a 214,100, the largest 12 month gain since September 2013.
- National unemployment rate ticks up to 6.9%. Despite the gains in employment, the Canadian unemployment rate rose 0.1 percentage point to 6.9% in December as more people entered the labour market.
- Canadian earnings increase. Canadian average weekly earnings (AWE) totaled $954 in October, down 0.1% month-over-month with half the provinces seeing gains and the other half experiencing declines. Canadian earnings are unchanged from a year ago.

Employment Growth by Province, December 2016 vs. December 2015



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,267,300
month-over-month change	6,900
year-over-year % change	-0.8%
Alberta Unemployment Rate (UR)	8.5%
Edmonton UR**	7.4%
Calgary UR**	10.2%
Participation Rate	72.7%
Average Weekly Earnings (AWE)	$1,106.29
year-over-year % change	-2.6%
Average Hourly Wage	$29.83
year-over-year % change	+1.7%
Job Vacancy Rate***	1.5%

Source: Statistics Canada

* All data is from the December 2016 Labour Force Survey, except AWE which is the October 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for September 2016.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

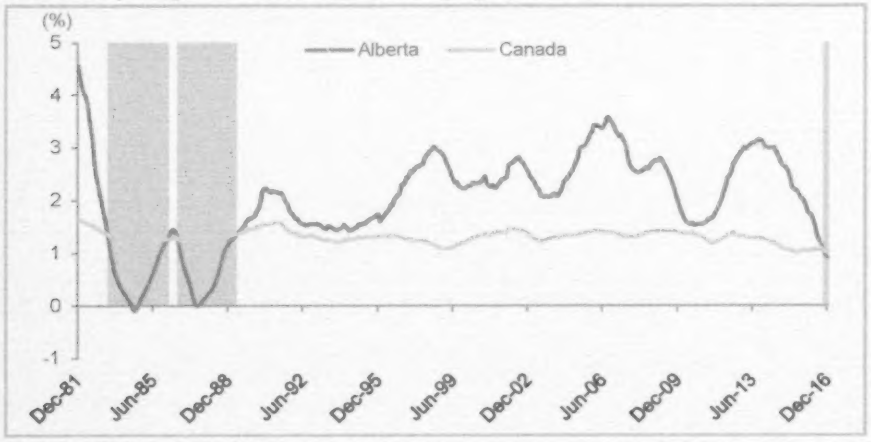
Growth in Alberta's working age population slows

Although Alberta has posted solid overall population growth during the current downturn, growth in Alberta's working age population has slowed significantly. This Labour Insight examines recent trends in Alberta's working age population.

Working age population growth slows

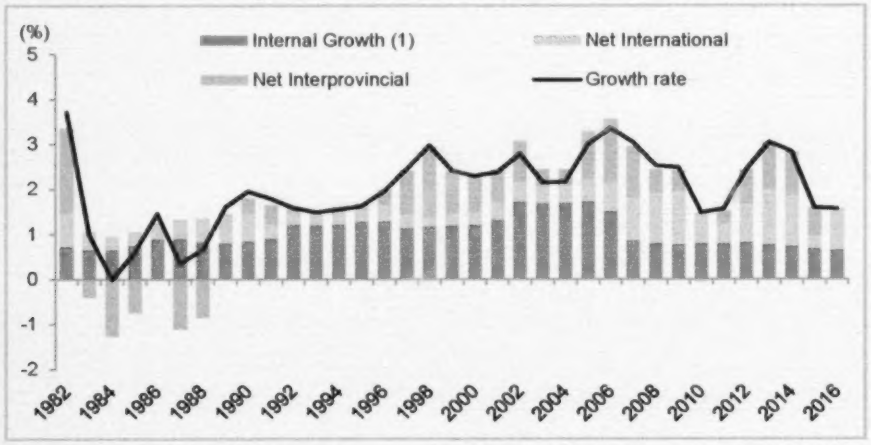
Growth in Alberta's working age population, those aged 15 years and older, started to moderate in early 2014. It continued to decelerate with the recession and fell below the Canadian rate for the first time in over 25 years in October 2016.

Chart 1: Alberta's working age population growth slows
Year-over-year growth rate in the working age population



Source: Statistics Canada, Labour Force Survey

Chart 2: Net migration slows
Annual contribution to growth in Alberta's population aged 15+



Source: Statistics Canada, Annual demographic estimates
1. Calculated as the number of 14 year olds turning 15 minus deaths of 15+
*** Numbers may not add due to the exclusion of Statistics Canada's population residual**

Have a question or idea for Labour InSight? Send us an *email*.

By the end of 2016, Alberta's working age population growth was 0.9% year-over-year, the lowest rate since August 1988 and significantly slower than the average growth rate experienced prior to the recession. The decline is similar to 2010-11 but far less than the drop in the early 1980s (Chart 1).

Net migration easing

With the pace of interprovincial net out flows increasing this year in response to weaker economic conditions in the province, net migration has slowed. This is weighing on working age population growth. In the latest quarter, net migration in Alberta totalled 6,594, about half of what it was last year. This was mainly due to net interprovincial outflows, as net international migration remained strong.

Youth supports workforce

Despite the slowdown, Alberta's working age population continues to expand. Excluding net migration, Alberta's working age population increased at an annual rate of 0.6% in the latest census year, double the comparable Canadian rate of 0.3%. This is being supported by Alberta's younger population compared with other provinces and the large number of people under the age of 14 entering the working age population. Currently, 18.5% of Alberta's population is aged 14 years old or younger compared to 16.1% of the Canadian population.

Labour market adjusting

The current slowing growth trend in Alberta's working age population is a natural adjustment to weaker economic conditions in the province. Over time, it puts downward pressure on the unemployment rate and supports a gradual rebalancing of Alberta's labour market.

Contact

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